Corn Refiners Association
Statement
Examining FDA's Role in the Regulation of Genetically Modified Food Ingredients
Subcommittee on Health
Committee on Energy & Commerce
U.S. House of Representatives
Wednesday, December 10, 2014

Thank you for the opportunity to provide the views of the Corn Refiners Association. Each year, our members purchase and process between 15% and 20% of America's corn supply to make over 1000 products, principally food ingredients. Corn based food ingredients are used in the formulation of 40% to 70% of consumer retail food products.

As strategic partners of the National Corn Growers Association, the Corn Refiners Association supports the development of efficiency enhancing production practices and technologies for American agriculture, including responsible use of biotechnology. We rely on the production of America's farmers and support policies that seek successful, profitable corn producers. The adoption of biotechnology enhanced crops has provided farmers with opportunities to reduce use of pesticides and increase yields, resulting in environmental and agronomic benefits to society.

We respectfully submit that a fundamental question for Congress is whether consumer interest in biotechnology labeling laws for foods should be addressed in various ways by various states or whether a uniform food labeling approach should be taken for all foods sold in the United States. We urge enactment of a uniform, national food labeling approach, which consumers would find more understandable and consistent wherever they purchase food. A uniform approach would also help keep food more affordable..

Using corn ingredients in food to illustrate, permit us to explain why a state by state food labeling approach regarding use of biotechnology would be far more expensive than a uniform national approach. Of course, most corn in the U.S. now is produced with biotechnology.

It is difficult to convey the variety and scale of the American food supply. For example, in an average supermarket, refined corn ingredients can be found on thousands of labels. Many of the products consumers enjoy daily get their start with corn: jams, jellies, sauces, marinades, cereals, condiments, canned fruits and vegetables, baked goods, meat products like bologna and hot dogs, yogurts, snack items, cough drops, toothpaste, paper, cosmetics and soap to name a few. Refined corn ingredients that are minor ingredients generally impart characteristics that we often take for granted, such as:

- Enabling foods to maintain improved textural characteristics during freezing, thawing, and heating.
- Improving bioavailability of vitamins and shelf life of certain flavors.
- Enhancing texture and moisture in items such as protein bars, meal replacement drinks, and dried soups.
- Providing sweetness, as well as thickening, texture, clarity, and sheen in food applications such as cereal bars, ice cream, salad dressings, and canned fruits.

- Imparting tart flavor in confectionery and beverages and serve as a preservative in many food products.

The Corn Refiners Association has periodically conducted a survey to determine how many items in a typical grocery store contain refined corn. Based on a survey conducted in 1999 and updated for current market conditions, we estimate more than 4,500 items in a typical grocery store contain refined corn ingredients. Many contain multiple ingredients from corn.

Of course, corn is just one example of an important crop that is used widely in the food supply. It provides an example of the large reach and cost that mandatory labeling of biotechnology enhanced crops could have on the marketplace and the consumer.

Recently, economists from Cornell University, with support to that institution from the Gates Foundation, conducted a study of costs potentially arising from enactment of New York's proposal to require labeling of foods containing ingredients produced with biotechnology. The Cornell economists calculated the midpoint annual increase in costs to a family of 4 to be $224 and a billion dollars to the state. These calculations assumed 10% of consumers switched to organic products and 40% switched to non-biotech labeled products. This scenario created a dual food production system in which new labeling costs were passed on throughout the entire food production chain and ultimately borne by consumers.

The Cornell economists found that costs would increase significantly as the threshold is lowered for allowed presence of foods produced through biotechnology in unlabeled products. A zero threshold for foods produced through biotechnology may not be possible, as found by experience from marketing to the European Union and from FDA allergen control requirements. Independent of the degree of consumer adoption of non-labeled foods, mandatory labeling of foods produced through biotechnology would have a very significant impact on the farming communities, the entire food production sector, and consumer food costs. Our low cost and efficient food production system based on economy of scale would be fragmented.

From our experience with corn products, permit us to describe how increased costs of mandatory labeling would ripple through the food production system:

- Farmers - Lost yield and increased pesticide and fuel use; field and equipment needing segregation; increased labor and man hours needed for cleanouts to insure labeling compliance, crop segregation and identity preservation is required, which reduces scale. Producing both labeled and non-labeled products requires duplicate equipment dedicated to biotech and non-biotech farm production and/or causes time consuming extensive cleanouts. Harvest storage bins, country elevators, transport vehicles and processing systems must be dedicated and maintained separately. Additionally, crop fields must be managed to avoid cross contamination, a problem for corn farmers due to pollen drift. Increased buffer zones lowers acreage efficiency, and lawsuits can arise from contamination. Farm income will suffer.

- Corn Processors- Identity testing of raw materials would result in hundreds of thousands of dollars additional costs per facility per year, and similar to corn producers issues of minimizing cross contamination and maintaining scale would raise costs. Due to the high cost of preventing cross contamination in large continuous flow production facilities, at least some dedicated facilities would likely be required. Such facilities would likely encounter increased sourcing costs for dedicated non-biotechnology facilities. A typical corn refining facility receives several hundred

trucks of corn a day and a 100 rail car unit train every few days. Processing a thousand tons of corn per day while ensuring against contamination for unlabeled products would be a daunting task.

- Food Processors- A separate label would have to be designed for each unique state imposing food biotechnology labeling requirements, with a separate ingredient compliance program incorporating the unique requirements of each state labeling program. So, for each state labeling requirement, the suppliers of the typical grocery store would be required to maintain a separate label inventory, and ingredient labeling compliance program (with contracting, recordkeeping, and testing verification) for approximately 4,500 food products, simply because of the corn ingredients in those products.

- Warehouses and Retail Stores – Major food distribution centers are key to the efficiency of the food distribution system. These facilities typically handle thousands of food product SKU's. Each new state mandatory labeling requirement would almost double the number of SKU's in each of those facilities, with associated cost increases for recordkeeping and reduced efficiencies of scale.

- Consumers – It is absurd to suggest that these increased costs would not be passed on to ultimate consumers. Food costs would increase, with the difficulty in bearing that cost falling hardest on low income consumers. Likely variation in various state labeling programs would result in consumer confusion about precisely what the labeling means. Therefore, consumers would bear increased food costs without clear understanding of what the mandatory labeling means.

- State government – State by state mandatory labeling programs means that enforcement costs would fall far more heavily on state agencies than with a uniform national labeling program where a single enforcement action would have national effect. Further, the labeling of possible allergens or for compositional enhancements created by biotechnology is already required under FDA labeling law and thus would add to enforcement costs.

We realize that some may question our assertion that various state mandatory labeling requirements should be assumed to be unique. Given the great potential for variation in scope of definitions of foods subject to biotechnology labeling requirements, definitions of biotechnology uses subject to labeling requirements and issues regarding tolerances without triggering labeling requirements, we assert that this is a reasonable assumption. Moreover, we note that at the time of the enactment of the recent mandatory menu labeling amendments to the Federal Food, Drug, and Cosmetic Act, there were almost 30 state and local menu labeling requirements for standard menu items of chain restaurants. No two of those requirements were identical.

Accordingly, we respectfully urge enactment of a nationally uniform labeling program for foods produced through biotechnology and commend for your consideration H.R. 4432, sponsored by Representatives Pompeo, Butterfield, Matheson, Blackburn and Whitfield. We appreciate your consideration of our comments.